



Indiana Department of Education

Dr. Katie Jenner, Secretary of Education

Teacher Salaries Frequently Asked Questions

This FAQ amends the previously issued June 2021 FAQ regarding teachers salaries. During the 2022 session of the Indiana General Assembly, Senate Enrolled Act (SEA) 331 included legislation pertaining to teacher salary requirements. The following updated document provides guidance to assist school corporations on review and implementation of the provisions regarding teacher salaries, funding floor, and minimum expenditures. All references to “full-time teacher salary” are in reference to those expenditures meeting the definition of object code 110 as described in question one below.

Number	Question	Answer
	Teacher Salary Expenditures	IC 20-28-9-28
1	Who is classified as a full-time teacher?	For purposes of IC 20-28-9-26, IC 20-28-9-27, and IC 20-28-9-28, a full-time teacher is an individual licensed under IC 20-28-5 who has entered into a regular teacher’s contract under IC 20-28-6-5 or a temporary teacher’s contract under IC 20-28-6-6(a)(1) with a school corporation, special education cooperative, or career and technical education cooperative, and whose primary responsibility is the instruction of students. An individual’s primary responsibility is the instruction of students if the individual provides instruction to students in a classroom setting for at least 50% of the individual’s workday. The individual’s workday is the number of hours the individual is expected to work each day under the terms of the individual’s contract with the school corporation.
2	What is the definition of a “salary?”	“Salary” is the dollar amount (excluding all extra-curricular pay, etc.) <u>expended</u> by a school corporation, special education cooperative, or career and technical education cooperative and paid to a full-time teacher in accordance with the “Regular Teacher Contract” Item 4 or a “Temporary Teacher Contract” Item 3 (to be used for leaves of absence)” for performing teaching duties for the applicable school year. The Indiana Department of Education (IDOE) will pull actual expenditures for salaries from Form 9 financial data using specific object codes.
3	Does the 45% expenditure requirement apply to charter schools, education service centers,	No, the 45% expenditure requirement <i>does not</i> apply to charter schools, education service centers, or cooperatives. However, all entities reporting Form 9 financial data must



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	or cooperatives?	use the updated Chart of Accounts.
4	What is included in “state tuition support?”	State tuition support includes the basic grant, the special education grant, the career and technical education grant, and the honors grant. The total amount of state tuition support distributed to a school corporation can be found on the June Form 54 monthly distribution report.
5	Are transfers from the education fund to the operations fund accounted for in the 45% requirement?	No, the 45% requirement is based on the total amount of state tuition support distributed to the applicable school corporation.
6	How will the amount expended on full-time teacher salaries be determined?	Total expenditures for full-time teacher salaries will be based on Form 9 expenditures for the applicable fiscal year and will be determined as follows: [Object 110 full-time teacher salaries + Object 111 temporary teacher salaries] (numerator) divided by [total state tuition support amount on the June Form 54 monthly distribution report] (denominator). The numerator includes the referenced object codes from all school funds.
7	Do salaries include Federal Insurance Contributions Act (FICA) and Teachers Retirement Fund (TRF)?	No, salaries do not include FICA, TRF, or other benefits.
8	Are substitute teachers included?	No, expenditures for substitute teachers are not included in the amount expended on full-time teacher salaries. Only salaries for full-time teachers are included for purposes of this requirement.
9	Do we include payments to full-time teachers paid from federal grants such as Title I or ESSER?	Total expenditures for full-time teacher salaries (numerator) are based on the <i>entire</i> amount a school corporation expends on full-time teacher salaries. This includes objects 110 and 111 for all funds.
10	Are employer payroll taxes included?	No, the information reflects gross salaries, not employer payroll taxes.
11	If multiple school corporations belong to a special education cooperative, interlocal agreement, or service center, can each school corporation count expenditures for	For school corporations that belong to special education or career and technical education cooperatives that have interlocal agreements, the cooperative should provide each school corporation with its proportionate share of full-time teacher salaries employed by the cooperative. Beginning



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	teacher salaries toward their school corporation's 45% expenditure threshold?	Friday, July 1, 2022, each school corporation should record its payments to the cooperative, applicable to full-time teachers, using object code 110 and the appropriate expenditure account. Each school corporation's proportionate share of the full-time teacher salaries will be included as part of the expenditure amount for purposes of this law.
12	What if the 45% salary expenditure puts a corporation into deficit financing?	Under IC 20-28-9-28(b), school corporations that cannot comply with the requirement to expend an amount equal to or greater than 45% of the state tuition support amount distributed to the school corporation during the fiscal year must apply for a waiver from IDOE. The waiver form can be found in Moodle Finance under the Form 9 course, in the Teacher Salary folder.
13	Is FY 2021 or FY 2022 the first year that school corporations must expend an amount equal to or greater than 45% of state tuition support distributed to the school corporation for full-time teacher salaries?	FY 2022 is the first year in which school corporations must satisfy this requirement. IDOE staff will use Form 9 financial data from July 1, 2021, to June 30, 2022, to determine compliance with the law.
14	Will IDOE create a waiver form for schools that cannot meet the 45% state tuition support threshold?	Yes, IDOE posted a waiver form in Moodle Finance in the Teacher Salary course.
15	When must school corporations that did not meet the 45% expenditure requirement apply to IDOE for a waiver?	For waivers applicable to FY 2022 expenditure requirements, IDOE established a Friday, September 30, 2022, deadline.
16	Are salaries of part-time teachers or teachers who are a full-time equivalent (FTE) of .67 (rounded to 1.0) included in the amount expended on full-time teacher salaries?	Only salary expenditures for full-time teachers, as defined in question one, will be used to determine whether a school corporation met the 45% expenditure requirement. IDOE will not round FTE.
17	Will IDOE share a list of school corporations that did not meet the 45% expenditure requirement?	Yes. Pursuant to IC 20-28-9-28, IDOE is required to prepare a report that contains information on expenditures for full-time teacher salaries, including benefits, and percentages and amounts for each school corporation. IDOE will submit the report to the state budget committee.



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18	How will IDOE know what share of benefits is applicable to full-time teachers for its annual report?	Although benefits are not part of the 45% expenditure requirement in IC 20-28-9-28, IDOE will require school corporations to self-report benefits through a survey this summer (2022). For years after that, IDOE will collect the information through Form 9 financial data submissions using updated object and subcategory codes.
19	How should a local education agency (LEA) -based cooperative code full-time teacher expenditures?	An LEA-based cooperative should continue to code full-time teacher salaries to objects 110 and 111 per the definitions. As before, expenditures on behalf of students enrolled at the LEA-based cooperative should be coded to school ID 0000 or the corporation ID, while expenditures on behalf of students enrolled at other public school corporations should be coded to school ID 8888.
20	How should payments to cooperatives be coded?	Payments to cooperatives should be coded to accounts 17300 and 17400 as applicable, as before, and divided proportionally into object 110 for the portion directly attributable to the school corporation's share of the salaries of full-time teachers employed by the cooperative. The remaining portion should be coded to other object codes, for instance object code 591.
	Funding Floor	IC 20-28-9-27
21	Is the funding floor a percentage or a dollar amount?	The funding floor is "the amount a school corporation expended for teacher salaries during a particular state fiscal year." Thus, the funding floor is a dollar amount. <i>See IC 20-28-9-27</i>
22	Is the funding floor adjusted for stipends provided to teachers?	Not all stipends provided to teachers count toward the amount expended for teacher salaries used in the definition of "funding floor." One-time payments would not affect the funding floor if (1) the school corporation does not provide stipends in the second year; or (2) the stipends are not awarded to a majority of the teachers. If a school corporation has awarded stipends to a majority of the school corporation's teachers in each of the two preceding consecutive state fiscal years, the lesser of the amount of stipends awarded in each of those state fiscal years is added to the school corporation's funding floor for the preceding state fiscal year. This excludes stipends provided through the Teacher Appreciation Grant, which are receipted to funds 3750 to 3759. <i>See IC 20-28-9-27(c)</i>



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23	Are stipends paid with federal funds included in the funding floor?	With the exception of the Teacher Appreciation Grant, the statute does not distinguish between the funding source of the stipend. Whether a particular stipend is included in the funding floor is based on whether the stipend was given to a majority of teachers in two consecutive years. See the answer to the previous question.
24	Is “salary” defined the same way for the 45% determination and the funding floor?	Yes, the same definition of “salary” used for purposes of calculating expenditures for full-time teacher salaries will be used to determine the funding floor.
25	Is FY 2022 the base year of the funding floor?	Yes, FY 2022 is the first year (or base year) of the funding floor.
26	Under what circumstances can I file for a waiver from the funding floor?	A school corporation may apply to IDOE for a waiver from the funding floor if the corporation’s enrollment for the school year during that particular state fiscal year is less than the enrollment in the preceding fiscal year. <i>See IC 20-28-9-27(d)</i> . The waiver form can be found in Moodle Finance under the Form 9 course, in the Teacher Salary folder.
27	What is a stipend?	A “stipend” is a fixed sum paid through the compensation plan or an amount awarded to the majority of teachers. A stipend does not contribute toward the average teacher salary. For purposes of the funding floor calculation, a “stipend” excludes amounts paid to a teacher for extracurricular activities, ancillary duties, attendance awards, teacher appreciation grants, etc.
28	Does the funding floor apply to charter schools, education service centers, and cooperatives?	No, the funding floor <i>does not</i> apply to charter schools, education service centers, or cooperatives.
29	In situations where a correction has been made, are negative expenditures coded to teacher salaries summed together with positive expenditures coded to teacher salaries?	All expenditures, negative or positive, coded to each account/object code will be summed, since the Form 9 financial data is on a cash basis.
30	How will IDOE adjust the floor for stipends?	If applicable, stipends that are a part of the teacher’s compensation plan will be used to determine the floor. IDOE added new object codes 141 to 150 to capture the expenditures made for the various types of additional



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		compensation. School corporations are not permitted to deposit Teacher Appreciation Grant funds (which do not count toward the floor) in the Education Fund. Distributions for the Teacher Appreciation Grant must be deposited in funds 3750-3759, so IDOE can delineate the type of expenditures being made.
	Minimum Teacher Salary	IC 20-28-9-26
31	What information will be used to determine whether a school corporation has met the minimum full-time teacher salary requirements set forth in IC 20-28-9-26?	The school corporation's collective bargaining agreements (CBAs) must demonstrate that the minimum salary for full-time teachers is \$40,000 or higher. This applies to both returning and newly hired full-time teachers.
32	Does the minimum salary requirement apply only to full-time teachers?	Yes, the minimum salary requirement applies only to full-time teachers. For information about who is classified as a "full-time teacher," see the response to question one above.
33	When does the \$40,000 beginning salary requirement take effect within FY 2023? Specifically, is the requirement prior to the 2022-2023 negotiated period (meaning salary levels need to be targeted for adjustment in the 2021-2022 negotiation period) or after the 2022-2023 negotiation period (meaning salary levels will have two negotiation periods to achieve the \$40,000 level)?	The minimum salary requirement will take effect during the 2022-2023 school year. All one-year, 2022-2023 CBAs must have a minimum full-time teacher salary of \$40,000. When full-time teachers are hired during the contract continuation period of the 2021-2022 CBA at a salary lower than \$40,000, then the 2022-2023 CBA must have a provision that increases salaries of full-time teachers less than \$40,000 to a salary of \$40,000 or greater. Parties with a two-year CBA must comply with the minimum during the second year (2022-2023) of the agreement.

For additional information, please email Form9@doe.in.gov